

Hammond



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

October 14, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: *for David E. Janssen*
David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CONTRACTOR MERGERS/TAKEOVERS – STATUS REPORT NO. 2

On July 19, 2005, your Board directed this Office, County Counsel, and the Chief Information Officer (CIO) to report back within 60 days with a policy for evaluating companies that are in the process of bidding and negotiating an Information Technology (IT) contract which are being merged with or acquired by another firm.

In a memorandum dated September 8, 2005, we updated your Board on our status relative to the development of this policy. Although it was stated that we would return to your Board by late October with a policy for evaluating companies that are being merged or acquired, we have determined that additional time will be required in order to do the following:

- Develop the County's "Due Diligence" process for evaluating companies, and
- Establish the County's options relative to negotiating such contracts.

We will continue to work with County Counsel and the CIO, as well as the Internal Services Department, to develop a proposed policy to address these issues in response to your Board order. We anticipate submitting a proposed policy for your approval in November 2005.

If you have questions, please contact me, or your staff may contact Martin Zimmerman of my office at (213) 974-1326.

DEJ:MKZ
AG:ib

c: County Counsel
Chief Information Officer
Director of Internal Services